Community Reinvestment Strategy
Detroit

Chapter 6

Neighborhood Commercial

Cluster 2
Asset Profile

Several types of neighborhood commercial districts are located within Cluster 2, which are common with other districts in the city of Detroit. Each type of district was constructed to respond to shoppers' needs for the era in which it was built. Among these are:

Major Commercial District
Located at major arterial roads, major districts developed prior to the suburban shopping mall phenomenon started in the mid-1950s. Large commercial districts were developed at the major crossroads to service the market area of several neighborhoods. In Cluster 2, the Seven-Mile/Gratiot shopping district was built in the 1930s and anchored by a Montgomery Ward and Federal Department store. Numerous other retailers clustered near the anchor stores along Gratiot Avenue including national and local clothiers, drug store chains and shoe stores. This shopping district serviced a market area of approximately 250,000 persons.

The construction of Eastland Shopping Mall in the late 1950s stripped away a large share of the consumer demand at the local level, although the district survived well into the late 1960s. The attraction of a mall's interior climate controlled shopping, major comparison selections, and a secure environment reduced the ability of the neighborhood district to effectively compete. Without the benefit of the major anchor tenants, a spiral of decline was begun, as fewer stores meant fewer shoppers. At the current time, few viable businesses remain in the district.

Neighborhood Service Commercial Districts
These districts are found along nearly every major street of Detroit's grid pattern, north, south, east and west. They were built along bus lines and within walking distance of a large enough market area that minimal parking was provided. Typically, the character of older strip development is that of one and two story storefronts built between the 1920s and 1950s when the neighborhoods were developed. Larger buildings which once housed dime stores and hardware stores are also found in these districts. The most common structures were the one and two story buildings which housed a variety of professional uses (doctor, dentist, attorney and real estate offices), services (shoe repair, dry cleaners, and hair salons), and small retail shops (bakeries, fish markets, specialty shops and drug stores).

In larger districts, utility offices, banks, and post offices were also located within the district. Abandonment of these types of buildings have occurred city-wide, endemic of changing consumer patterns, few business successions in family businesses, and little start-up capitol for new entrepreneurs to take over existing businesses. The latest trend of reducing or consolidating bank and utility offices have also left behind vacant surplus buildings. In most cases, buildings of sound and attractive construction are deteriorating due to inadequate maintenance.

Examples of this type of commercial strip is along Gratiot south of Seven Mile to the Cluster 2 boundary, and major roads such as Seven Mile, McNichols, and smaller streets such as Schoenherr, Whittier and Conner.

Newer Strip Malls

Newer strip malls are beginning to spring up along major thoroughfares where a large enough site can be assembled to satisfy several businesses in a cluster, imitating the suburban model. The influence of auto dependency is illustrated by the strip mall design which provides ample parking lots located in front of the business. The most common type of businesses located in these sites are fast food chains, drug stores, and party stores. Some strip malls are dedicated to auto service only, and will contain oil change, tire sales, and muffler and transmission shops all in one location. Eight Mile Road has had the most development of strip malls, due to the high traffic counts and relative safety in numbers.

Small Neighborhood Businesses

A familiar type of business found in older neighborhoods is the corner store or pub built on a residential block to service several blocks of a neighborhood. These shops were strictly for convenience, unable to compete with the prices of a supermarket, but able to provide the bread, milk, and candy to satisfy quick errands by neighborhood children. Since a fairly large density of housing and population was required to maintain a shop of this type, they were most frequently located in neighborhoods with a large population base. Although a rapidly vanishing type of commercial business, some are still located near schools or other activity centers.

Building Conditions Survey

A survey was completed in August and September 1997 to assess commercial building conditions. Recruited stakeholders were trained to determine the following four levels of building conditions:

Reinforce: Stable condition

Commercial area where all of the structures remain and are in good condition; where there are few, if any, unoccupied or abandoned structures; and where some structures may require minor repair.

Revitalize: Beginning signs of decline

Commercial areas where no more than ¼ of the block front is occupied by vacant lots or buildings that require demolition because of substantial deterioration.

Revitalize: Advanced signs of decline

Commercial areas where between ¼ and ½ of the block front is occupied by vacant lots or buildings that require demolition because of substantial deterioration.

Restructure: Major signs of deterioration

Commercial areas where the majority of the block front (well over ½) is occupied by vacant lots or buildings that require demolition because of substantial deterioration.

Ratings were compiled by block face. Results very optimistically show stable conditions for all corridors. Beginning signs of decline are generally clustered on Gratiot south of Seven Mile and on Seven Mile west of Gratiot. Advanced signs of decline and major signs of deterioration are scattered along Gratiot. The results, shown in Map 15, contrast the focus group's negative perceptions of the business district image.

Total Household Expenditures

Using 1990 census data, the total estimated household spending power of Cluster 2 residents can be calculated to illustrate demand for goods and services. As shown in the following chart, 39,036 households with an average median income of $27,377 reside in Cluster 2 in 1990. Multiplying the income by the total number of households, an estimate of nearly $1 billion is available for expenditures after taxes and savings. It is fairly safe to surmise that the spending power of Cluster 2 residents is being drawn away from the area due to the few viable businesses and major outcropping of retail outlets in the nearby suburbs. More than $127 million annual sales in food, both away from home and groceries would generate more than 320,000 square feet of grocery stores and restaurants based on just Cluster 2 households. These expenditures could roughly support more than 25 major grocery stores and another 35 restaurants. The following table shows consumer expenditure calculations.

Total Household Expenditures

Total Households	39,036
Median Household Income	$27,377
Total Income	$1,068,688,572
Less Taxes and Savings (15%)	$160,303,286
Income Available for Expenditure	$908,385,286

Expenditure Category	Percent	Amount
Food and Alcohol	14%	$127,173,940
Housing	32.4%	$294,316,833
Apparel and Services	6.2%	$56,319,888
Transportation	21.9%	$198,936,378
Health Care	3.8%	$34,518,641
Entertainment	4.4%	$39,968,953
Personal Care	1.4%	$12,717,394
Reading Materials	0.5%	$4,541,926
Education	0.9%	$8,175,468
Tobacco	0.9%	$8,175,468
Miscellaneous	2.4%	$21,801,247
Cash Contributions	2.6%	$23,618,017
Personal Insurance and Pensions	8.6%	$78,121,135
Total	**100%**	**$908,385,286**

Competing Market

Harper Woods, Roseville and Eight Mile Road all offer alternative shopping options for the residents of Cluster 2.

The closest major shopping center is the Eastland Shopping Center which is directly adjacent to the cluster boundaries. Anchored by Hudsons, JC Penney, Kohls and Montgomery Ward, Eastland has stimulated retail spin-off in the surrounding area. Spin-off businesses, which include restaurants, strip malls, movie theaters, and auto repair shops, have located along Kelly and Vernier. Big box development also recognizes the presence of a strong retail market, as indicated by the addition of the Circuit City and Home Depot outlets.

Macomb Mall, located in Roseville at Gratiot and Masonic, is an easy drive from Cluster 2. This area is highly attractive to national retailers due to its close proximity to the I-94 Freeway and the market base of St. Clair Shores, Roseville and Warren. Macomb Mall is anchored by Crowleys. Kohls, and Sears and is actually considered to be small according to present day standards. However, the mall is also surrounded by a plethora of big box developments including every major home, office, electronics and discount retailer. National chain restaurants and other businesses, such as copy centers have also located in the Gratiot corridor of Roseville.

Priority Issues Identified through Focus Groups

Area residents expressed frustrations in the focus groups about the lack of real quality in the area, requiring them to shop in the suburbs for a large share of their goods and services. They did, however, express that quality health care and auto service could be found within the Cluster 2 district. Following is a brief summary of focus group highlights; the complete recordation is attached in the Appendix.

- Businesses generally deteriorated and poor, both physically as well as goods provided.
- City lighting and streetscape amenities needed for business districts.
- Project positive image, eliminate defensive elements.
- Alley deterioration occurs everywhere and needs to be addressed.
- Businesses need to project a positive image, eliminate defensive elements and work on improving public safety.
- Economic base needs to be increased.
- Not all of the commercial strips within the cluster can be supported. (Some commercial areas should be converted into mixed-use or housing developments)
- Opportunity areas: Eight Mile/Gratiot
Seven Mile/Gratiot
Houston-Whittier/Hayes
Chalmers/Harper
- Needed businesses: Small quality shops and boutiques
Restaurants
Theaters
Big Box stores
Grocery stores, national chains
Hardware stores

The focus group stated that Gratiot Avenue is a prime resource for the community and needs to be rapidly improved. They feel that the Seven Mile node is the place for large scale redevelopment, and the balance of frontage for mixed-use investment. The Eight Mile Road node is identified as a prime development area but secondary to the Seven Mile district. Two additional important reinvestment areas include Whittier/Hayes and Harper/Chalmers commercial nodes. Map A16 shows the locations.